



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 73

Chairperson: Mick Mines
Committee: Banking, Commerce and Insurance
Date of Hearing: January 24, 2005

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The goal of LB 73 is to guarantee consumers a choice of autobody and glass repair shops for reasonably priced repairs without suffering a financial penalty from their insurer.

Nebraska law allows an insurer to use the lowest bid on all repairs for like kind and quality motor repair. In some cases, this focus on lowest bid is used to accept less than the original intent of "like kind and quality."

LB 73 specifically asks that an insurer not recommend any particular repair shop unless a referral is requested by the claimant or the claimant has been informed of their right to choose their own repair shop. If said disclosure takes place orally, LB 73 asks for that disclosure to be followed up with a written document mailed to the claimant.

LB 73 would prohibit an insurer from asking a claimant who has already chosen a repair shop, to select a different repair shop.

Any insurer that, by policy, suggests or recommends a motor vehicle be repaired at a particular automotive repair shop shall (a) prominently disclose such contractual provision at the time the insurance is applied for and (b) if the claimant elects a shop of his or her choice, the insurer shall not limit or discount the reasonable repair costs based on charges that would have been incurred had the vehicle been repaired by the insurer's chosen automotive repair shop.

LB 73 states the Director of Insurance shall enforce this section and may adopt rules and regulations to carry out this section.

Principal Introducer: _____
Senator Ray Aguilar